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SUBJECT: IRELAND HIDES BEHIND EU SMOKE SCREEN ON DOHA TALKS

REF: A. STATE 104561

[1](#)B. YOUNG-WILSON E-MAIL OF JUNE 27

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[1](#)1. Summary: Regarding ref A points on the Doha negotiations, Irish Government officials maintain that key WTO partners, particularly the United States, have not offered enough to reciprocate EU concessions. Irish trade officials believe that EU movement on agricultural market access is possible if the United States can push its offer of 60 percent cuts in distorting agricultural subsidies up to 70 percent. The Department of the Prime Minister holds that the most significant movement to date in the Doha talks has come from the EU as it awaits reciprocal responses from the United States and other WTO players. Agriculture Minister Coughlan strongly opposes further EU concessions on agriculture, a position dictated by pressure from Irish farm lobbies, which fear import surges as a result of possible market openings. In reply to Irish Government assertions, Post noted that EU farm subsidies in 2005 roughly quadrupled the U.S. level and that EU complaints about U.S. farm supports aimed to divert attention from the EU's weak offer on agricultural market access. In terms of media outreach, Post has placed an op-ed in the Irish Times, drawing from ref A and previous demarche points, and has provided ref A's key messages to economic journalists. As Post has previously reported, Irish inflexibility on the agricultural component of the Doha talks is rooted in Government reluctance to offend the farm sector ahead of general elections, now less than a year away. End summary.

The Department of Trade: Minimal Scope for EU Movement

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[1](#)2. Ireland supports the Commission's position that EU movement on agriculture is possible in concert with concessions by other major Doha partners in the Geneva negotiations, Department of Enterprise, Trade and Employment (DETE) Senior Trade Negotiator and 133 Titulaire Tony Joyce told econoff on June 27 in response to ref A demarche. Reiterating points in prior discussions, however, Joyce cautioned that the EU offer on agricultural market access was already at the outer edge of the EU's negotiating limit. He estimated that the United States would have to push its offer of 60 percent cuts in distorting agricultural subsidies up to 70 percent to elicit further EU movement on market access. Econoff cited recent OECD figures that put the total value of EU farm supports in 2005 at roughly quadruple the U.S. level, an imbalance that would make further agricultural subsidy cuts difficult for the United States, particularly U.S. farmers, to accept in the absence of commensurate gains in market access. Joyce replied that Ireland understood U.S. domestic pressures on this point, particularly as they influenced Congressional attitudes toward the Doha

negotiations. He also noted that, within Ireland's agricultural sector, further market openings would most seriously harm beef and dairy farmers, who thus staunchly opposed additional EU concessions. Joyce concluded by providing econoff the 133 Committee "Hymn Sheet" on EU positions for Doha, which Post passed to USEU (ref B).

The Prime Minister's Department: Others Not Moving Enough  
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¶3. On June 27, Post also provided ref A points to the Department of the Prime Minister, and on June 30 Owen O'Leary, the Department's Assistant Secretary for EU and International Affairs, responded that EU Member States, including Ireland, were awaiting fair and reciprocal movement by other WTO partners in the Doha talks. O'Leary noted that Ireland had a deep interest in a successful conclusion to the Doha Round, particularly as a small, open, trading economy. The Irish view, however, was that the most significant movement to date in the talks had come from the European side, while the United States and other key partners had not yet gone to the limits of their negotiating mandates. O'Leary cited reports that the Geneva negotiations would conclude on June 30 without continuing into the weekend as originally planned, and he hoped that negotiators could return in July to address EU concerns on reciprocity. (As of this writing, Post has not been able to confirm this development.) Econoff responded that these views tracked with the Commission's public line on the Geneva talks, which, in the U.S. view, aimed to divert attention from the EU's weak offer on agricultural market access.

Agriculture Officials and Lobbies: No Movement Possible  
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¶4. Public commentary on the Doha negotiations, led by Agriculture Minister Mary Coughlin, has focused on Irish opposition to further EU agricultural concessions. On June

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29, Minister Coughlan issued a press statement saying that "there was no justification for further movement by the EU." She elaborated that "any move toward the G-20 position ... would have very damaging consequences for market access, particularly for beef imports into the EU." On June 28, the Irish Times had reported that Minister Coughlan was under coordinated pressure from agricultural lobbies, including Meat Industry Ireland, which issued a statement saying that "the current EU offer on market access had already conceded too much on import tariff reductions." Also on June 28, Padraig Walshe, President of the Irish Farmers Association (IFA), had told reporters that the current EU offer would reduce the value of Irish agricultural output by 27 percent and that further concessions would open the European market to unlimited imports from Brazil. He added that the IFA had written to Prime Minister Bertie Ahern to resist the "sell-out of European farm families." The Irish Cooperative Organization Society and the Irish Dairy Industries Association similarly published a joint statement on June 28 calling on the Commission not to exceed its negotiating mandate in agriculture.

Embassy Media Outreach  
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¶5. Regarding media outreach, the June 30 Irish Times ran an annual July 4 supplement from the American Chamber of Commerce, which featured an editorial on the Doha negotiations that Post had ghost-written, drawing on ref A and previous demarche points. The editorial, which we will forward to EUR/UBI, called for balance in Ireland's position on Doha, keeping in mind potential benefits for the industrial and services sectors, the drivers of Ireland's economic success. Post also provided ref A points to economics reporters at the Irish Times, who are considering writing an analysis on the outcome of the Geneva talks.

Comment: Nothing New in the Irish Position

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¶16. Irish responses to ref A are consistent with views on Doha that have been shared with Post over the past year by Irish Government officials, all of whom have highlighted political reluctance to offend the farm community ahead of the May 2007 general elections. As we have previously reported, the irony in the Irish position is that full-time farmers now constitute well below five percent of the labor force, with the industrial and services sector responsible for the creation of roughly 200,000 new jobs over the past two years. The predominance of agricultural concerns in Ireland's approach to Doha is, in one sense, testimony to the political influence of domestic agricultural lobbies, which have been able to coordinate with farm communities more effectively the smaller those communities have become.  
KENNY